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March 31, 1987

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF HEALTH AND HUMAN SERVICES
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF ENERGY
THE SECRETARY OF EDUCATION
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR OF CENTRAL INTELLIGENCE
THE CHIEF OF STAFF TO THE PRESIDENT
THE COUNSEL TO THE PRESIDENT
THE ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT
CHAIRMAN, JOINT CHIEFS OF STAFF
DIRECTOR, ARMS CONTROL AND DISARMAMENT AGENCY
ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION
DIRECTOR, UNITED STATES INFORMATION AGENCY
ADMINISTRATOR OF VETERANS AFFAIRS

SUBJECT: Implementation of The Recommendations of The President's Special Review Board

The President has formally approved the attached National Security Decision Directive on the implementation of the recommendations of the President's Special Review Board (Tower Board). This NSDD is unclassified and was provided to Congress in connection with the President's March 31, 1987 message.

Frank C. Carlucci

Attachment
NSDD 266

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THE WHITE HOUSE

WASHINGTON

March 31, 1987

NATIONAL SECURITY DECISION
DIRECTIVE NUMBER 266

IMPLEMENTATION OF THE RECOMMENDATIONS OF THE PRESIDENT'S SPECIAL REVIEW BOARD

The President's Special Review Board submitted its Report on February 26, 1987. I addressed the Nation on March 4 and announced first, that I endorse the Board's recommendations; and second, that I intend to go beyond the Board's recommendations to put the National Security Council (NSC) process in even better order. This Directive spells out the specific steps I have approved to implement the letter and spirit of the Board's recommendations.

Many steps were taken even prior to the issuance of the Board's Report. The NSC staff was rebuilt and made subject to proper management discipline. A directive was issued on my instruction to prohibit the NSC staff itself from undertaking covert operations. A comprehensive legal and policy review of such operations, ordered by me, was already far advanced. Proper procedures for consultation with the Congress were reaffirmed and are being observed.

In light of the Board's Report, additional measures are required. This Directive sets forth the specific timetable according to which I expect all such measures to be completed. It is of utmost importance that the NSC -- including all members of, and advisors to, the NSC, the Assistant to the President for National Security Affairs, the NSC staff, and all other participants in the NSC process -- act decisively to accomplish my objectives fully.

I shall inform Congress of the nature and progress of these Executive branch efforts prior to the end of March; I also shall call upon Congress to heed the balance of the Board's recommendations, namely:

-- that no substantive change be made in the provisions of the National Security Act dealing with the structure and operation of the NSC system;

-- that the position of Assistant to the President for National Security Affairs not be made subject to Senate confirmation; and

-- that Congress replace the existing Intelligence Committees of the Senate and House of Representatives with a new joint committee with a restricted staff to oversee the intelligence community.

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These recommendations of the Board, which are addressed to Congress, I also strongly endorse.

I. Model for the National Security Council System

The structure and procedures of the National Security Council shall incorporate all aspects of the model of the NSC system described in the Report of the President's Special Review Board as the Board's principal recommendation. This directive implements that recommendation in each of the following respects:

-- organizing for national security, including provision of appropriate guidelines to participants in the NSC process;

-- the role and functions of the Assistant to the President for National Security Affairs;

-- the nature and responsibilities of the NSC staff; and

-- the NSC and interagency process.

A. Organizing for National Security

The National Security Council shall be the principal forum for consideration of national security policy issues requiring presidential decision. The function of the NSC shall be as set forth in the National Security Act of 1947, as amended. Broadly speaking, the NSC shall advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security so as to enable Executive departments and agencies to cooperate more effectively in matters involving the national security.

Participation in the NSC shall be as provided by law and this Directive. Statutory members of the NSC are the President, the Vice President, the Secretary of State, and the Secretary of Defense. Other heads of Executive departments and agencies and senior officials within the Executive Office of the President shall participate in the NSC as provided in this Directive.

The Director of Central Intelligence and the Chairman of the Joint Chiefs of Staff are statutory advisors to the NSC. The Director of Central Intelligence shall advise the NSC with respect to coordinating intelligence activities of Executive departments and agencies in the interest of national security and as otherwise provided by law. The Chairman of the Joint Chiefs of Staff shall be principal military advisor to the President, the Secretary of Defense, and the NSC.

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The Directors of the United States Arms Control and Disarmament Agency and United States Information Agency are special statutory advisors to the NSC. The Director of the Arms Control and Disarmament Agency shall be principal advisor to the President, the Secretary of State, and the NSC on arms control and disarmament matters. The Director of the United States Information Agency shall be principal advisor to the President, the Secretary of State, and the NSC on international informational, educational, and cultural matters.

The Secretary of State shall be the President's principal foreign policy advisor. As such, the Secretary shall be responsible for the formulation of foreign policy, subject to review within the NSC process and the President's guidance as appropriate, and for the execution of approved policy. I assign to the Secretary of State authority and responsibility, to the extent permitted by law and this Directive, for the overall direction, coordination, and supervision of the interdepartmental activities incident to foreign policy formulation, and the activities of Executive departments and agencies of the United States overseas. Such activities shall not include those of United States military forces operating in the field under the command of a United States area military commander, and such other military activities as I elect, as Commander in Chief, to conduct exclusively through military or other channels. Activities that are internal to the execution and administration of the approved programs of a single department or agency and that are not of such nature as to affect significantly the overall United States overseas program in a country or region are not considered to be activities covered within the meaning of this Directive.

The Secretary of Defense shall be the President's principal defense policy advisor. As such, the Secretary shall be responsible for the formulation of general defense policy, subject to review within the NSC process and the President's guidance as appropriate, for policy related to all matters of direct and primary concern to the Department of Defense, and for the execution of approved policy. I assign to the Secretary of Defense authority and responsibility, to the extent permitted by law and this Directive, for the overall direction, coordination, and supervision of the interdepartmental activities incident to defense policy formulation.

The Director of Central Intelligence shall be the President's principal advisor on intelligence matters. As such, the Director shall be responsible for the formulation of intelligence activities, policy and proposals, subject to review within the NSC process and the President's guidance as appropriate, as set forth in law and relevant Executive orders. I assign to the Director of Central Intelligence authority and responsibility, to the extent permitted by law, Executive order, and this Directive, for the overall direction, coordination, and supervision of the interdepartmental activities incident to intelligence matters.

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Although taking part in the NSC system by virtue of official positions as heads of Executive departments or agencies or as senior officials within the Executive Office of the President, all NSC participants shall sit as advisors to the President in connection with the President's exercise of authority under the Constitution and laws of the United States. In their capacity as department and agency heads, NSC participants shall ensure the effective and expeditious execution and implementation of overall national security policies established by the President. Execution and implementation of such policies shall not be the responsibility of the Assistant to the President for National Security Affairs or of the NSC staff except as the President specifically directs.

B. The Assistant to the President for National Security Affairs

The Assistant to the President for National Security Affairs ("National Security Advisor") shall have primary responsibility for day-to-day management of the National Security Council process, and shall serve as principal advisor on the President's staff with respect to all national security affairs. The National Security Advisor shall have access and report directly to the President, and shall keep the President and the Chief of Staff to the President fully and currently informed on all matters of substance.

As manager of the NSC process, the National Security Advisor shall ensure the following: that matters submitted for consideration by the NSC cover the full range of issues on which review is required; that those issues are fully analyzed; that a full range of options is considered; that the prospects and risks of each are examined; that all relevant intelligence and other information is available to NSC participants; that legal matters are addressed; and that difficulties in implementation are confronted. The National Security Advisor shall monitor policy implementation to ensure that policies are executed in conformity with the intent of presidential decisions. He shall initiate periodic reassessments of policies and operations, in light of changed circumstances or United States interests. The National Security Advisor shall keep NSC participants currently informed of presidential decisions. He shall ensure that NSC consultations and presidential decisions are adequately recorded, and that appropriate and timely preparations are made with respect to meetings convened under NSC auspices.

As the President's principal staff advisor on national security affairs, the National Security Advisor shall present his own views and advice and, at the same time, faithfully represent the views of other NSC participants.

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C. The National Security Council Staff

The functions and responsibilities of the Executive Secretary of the National Security Council shall be as provided by the National Security Act of 1947, as amended. The Executive Secretary heads the NSC staff and, in accordance with applicable laws and regulations, appoints and fixes the compensation of personnel required to perform such duties as may be prescribed by the President, the NSC, or the National Security Advisor. The Executive Secretary shall establish procedures within the NSC Executive Secretariat for maximum effective support of the NSC and the National Security Advisor in performance of responsibilities assigned by the President. With the guidance and under the instruction of the National Security Advisor, the Executive Secretary shall develop and implement appropriate policies with respect to the overall size of the NSC staff, the background and experience of its members, the duration of their service, and the organization of staff offices. The objectives shall be twofold: first, an NSC staff that is small, highly competent, broadly experienced in the making of national security policy, and properly balanced from among Executive departments and agencies and persons drawn from within and outside government; and second, an NSC staff organization that imposes clear, vertical lines of control and accountability.

The Executive Secretary, through the National Security Advisor, shall recommend for my consideration specific measures designed to enhance the continuity of the functioning of the NSC, including measures to ensure adequate institutional recordkeeping from administration to administration. Specific recommendations for these purposes shall be made not later than June 30, 1987.

The NSC staff, through the Executive Secretary, shall assist the National Security Advisor in each aspect of his roles both as manager of the NSC process and as my principal staff advisor on national security affairs.

The NSC staff shall include a Legal Advisor whose particular responsibility it will be to provide legal counsel to the National Security Advisor, the Executive Secretary, and the NSC staff with respect to the full range of their activities, and to assist the National Security Advisor in ensuring that legal considerations are fully addressed in the NSC process and in interagency deliberations. The NSC Legal Advisor shall be accorded access to all information and deliberations as may be required for these purposes, and shall advise the National Security Advisor and Executive Secretary as appropriate on all matters within his responsibility. He shall work cooperatively with the Counsel to the President, the Legal Adviser of the Department of State, and with senior counsel to all other NSC members, advisors, and participants.

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D. The National Security Council and Interagency Process

1. National Security Council Meetings

The National Security Council shall meet regularly to consider matters directed by the President or recommended by the National Security Advisor or by the other NSC members. The National Security Advisor shall attend all NSC meetings and shall be responsible for the agenda and conduct of such meetings under my direction. The statutory members of the NSC, and the Director of Central Intelligence and Chairman of the Joint Chiefs of Staff as statutory advisors to the NSC, shall attend NSC meetings. In addition, the Attorney General, the Secretary of the Treasury, and the Chief of Staff to the President at my invitation shall attend NSC meetings. The special statutory advisors to the NSC, the Director of the Office of Management and Budget, and the heads of other Executive departments and agencies shall be invited to attend such NSC meetings as relate to matters vested under their authority.

The National Security Advisor shall provide NSC participants advance notice of all NSC meetings and agenda therefor. To the extent practicable, the National Security Advisor shall circulate decision documents in advance of such meetings. The Executive Secretary of the NSC and the NSC staff shall assist the National Security Advisor in connection with appropriate preparations for, and follow-up to, NSC meetings, as directed by the President. Such assistance shall include preparation of meeting minutes and the development and dissemination of decision documents and, as appropriate, study directives. All decision documents shall be submitted for the President's review and action by the National Security Advisor. The National Security Advisor shall transmit decision documents to the President through the Chief of Staff to the President. National Security Decision Directives, intelligence findings, and similar decision documents shall be coordinated, in advance of their submission to the President, by the NSC Legal Advisor with the Counsel to the President.

2. The Interagency Process

To assist the NSC at large and its individual members and advisors in fulfilling their responsibilities, I previously directed or authorized the establishment of senior interagency groups and regional and functional interagency groups. The purpose of such groups was to establish policy objectives, develop policy options, make appropriate recommendations, consider the implications of agency programs for foreign policy or overall national security policy, and undertake such other activities as may be assigned by the NSC.

The NSC, through the National Security Advisor, shall review the structure of senior interagency groups and regional and functional interagency groups established pursuant to, or under authority of, presidential directives or applicable memoranda, and shall recommend all such changes thereto as may be necessary

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or desirable to realize fully and promptly in practice the Special Review Board's recommended model for the NSC system, as well as all of the Board's other recommendations. These include establishment of an interagency process in which the National Security Advisor chairs the senior level committees of the NSC. The National Security Advisor shall present, for consideration by the NSC, a draft National Security Decision Directive for this purpose not later than April 30, 1987.

II. Covert Actions and Use of Non-Government Personnel

I have directed the National Security Council's Planning and Coordination Group (PCG) to review all covert action programs. This review is designed to ensure that such programs are commenced and pursued in accordance with law and are consistent with United States policy. The PCG shall complete this review on an expedited basis. It shall report its findings to the NSC on or before April 30, 1987. The NSC promptly shall review all such programs and seek my concurrence in their continuation as appropriate. The NSC, through the National Security Advisor, shall review current procedures for covert action policy approval and coordination and shall recommend such changes as may be necessary or desirable to ensure, among other things, the following:

-- that proposed covert actions will be coordinated with NSC participants, including the Attorney General, and their respective recommendations communicated to the President;

-- that all requirements of law concerning covert activities, including those requirements relating to presidential authorization and congressional notification, will be addressed in a timely manner and complied with fully;

-- consistent with the foregoing, that covert activities will be subject to tightly restricted consideration, and measures to protect the security of all information concerning such activities will be enhanced;

-- that the NSC staff itself will not undertake the conduct of covert activities; and

-- that the use of private individuals and organizations as intermediaries to conduct covert activities will be appropriately limited and subject in every case to close observation and supervision by appropriate Executive departments and agencies.

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This review shall take fully into account such changes as I have authorized by this Directive to the structure of the NSC. The National Security Advisor shall present, for consideration by the NSC, a revised National Security Decision Directive on procedures for covert action policy approval and coordination not later than April 30, 1987.

III. Intelligence Process

Maintaining the integrity and objectivity of the intelligence process is an important goal of the United States intelligence effort. It demands, as the President's Special Review Board has stated, careful differentiation between the respective roles of foreign intelligence, on the one hand, and policy advocacy, on the other. The Director of Central Intelligence shall provide such additional review of, guidance for, and direction to, the conduct of national foreign intelligence estimates as may be required to accomplish fully this objective. The Director of Central Intelligence shall review established procedures for the production of national foreign intelligence estimates and, not later than July 31, 1987, shall inform the NSC, through the National Security Advisor, of any modifications or additions thereto he may deem appropriate for this purpose.

IV. Reporting

The National Security Advisor shall keep me fully informed of progress on all aspects of the implementation of the recommendations of the President's Special Review Board.

Ronald Reagan

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